

Remarks

The Office Action mailed November 16, 2005 has been carefully reviewed and the following remarks have been made in consequence thereof.

Applicants and the undersigned wish to express their appreciation to the Examiner for the courtesies he extended during a telephone interview that occurred on April 19, 2006. During the interview, the Office Action dated November 16, 2005 and the claim changes included herein were discussed. The Examiner advised that if he had any questions concerning this matter after reviewing this Amendment, he would contact the undersigned to discuss. The foregoing Amendment has been made in consequence of the Examiner Interview. Accordingly, Applicants respectfully submit that the present patent application is in condition for allowance.

Claims 1-73 are pending in this application. Claims 1-23 have been withdrawn from consideration. Claims 24-73 stand rejected.

In accordance with 37 C.F.R. 1.136(a), a three-month extension of time is submitted herewith to extend the due date of the response to the Office Action dated November 16, 2005, for the above-identified patent application from February 16, 2006, through and including May 16, 2006. In accordance with 37 C.F.R. 1.17(a)(3), authorization to charge a deposit account in the amount of \$1,020.00 to cover this extension of time request also is submitted herewith.

The rejection of Claims 24-73 under 35 U.S.C. § 112, second paragraph, is respectfully traversed. Applicants respectfully submit that Claims 24-73 satisfy section 112, second paragraph. More specifically, Applicants respectfully submit that Claims 24-73 are definite and particularly point out and distinctly claim the subject matter of the invention. Applicants, however, have amended independent Claims 24, 32 and 70 to address the issues raised in the Office Action. Accordingly, Applicants respectfully submit that Claims 24-73 are definite and particularly point out and distinctly claim the subject matter of the invention. For at least the reasons set forth above, Applicants respectfully request that the rejection of Claims 24-73 under 35 U.S.C. § 112, second paragraph, be withdrawn.

The rejection of Claims 24-73 under 35 U.S.C. § 102(e) as being unpatentable over Brown et al. (U.S. Patent 6,532,450) ("Brown") is respectfully traversed.

Applicants respectfully submit that Brown does not describe or suggest the claimed invention. As discussed below, at least one of the differences between the present invention and Brown is that Brown does not describe or suggest a system for account reconciliation between a parent business entity and a subsidiary of the parent business entity that includes at least one remote computer associated with the subsidiary wherein the subsidiary computer is configured to prompt a user associated with the subsidiary to enter account data relating to business activities of the subsidiary, and *at least one remote computer associated with the parent wherein the parent computer is configured to prompt a user associated with the parent to enter account data relating to business activities of the subsidiary.* (Emphasis added.)

In fact, the Office Action acknowledges at page 5 that Brown does not "show that the reconciliation is between the parent and subsidiary". Rather, as discussed below, Brown describes an offset payment process that includes an accounts receivable financial management system (14) associated with a first federal agency or a first division of a company, an accounts payable financial management system (22) associated with a second federal agency or a second division of a company, and a third-party offset payment system (18) which matches payments to be made with debts owed and offsets any debts with such payments. (Col. 3, lines 52-59 and Col. 5, lines 11-14.) Notably, Brown does not describe or suggest *a first business entity (i.e., a parent business entity) that enters account data relating to the business activities of a second business entity (i.e., a subsidiary business entity).* Rather, Brown describes a single business entity having different divisions or agencies that enters accounts receivable or accounts payable data for business activities performed by the same single business entity.

Moreover, Brown does not describe or suggest a server associated with the parent business entity wherein the server is programmed to *calculate an account variance based on the parent maintained account data and the subsidiary maintained account data.* (Emphasis added.) Rather, Brown merely describes a system that determines whether a discrepancy exists between

an accounts receivable financial management system (14) or an accounts payable financial management system (22) and an offset payment system (18). (Col. 15, lines 20-22.)

Furthermore, Brown does not describe or suggest *a server programmed to reconcile the account variance by processing additional accounting entries relating to the business activities of the subsidiary*, wherein the additional accounting entries are entered by a user associated with the subsidiary after the server *displays a data entry table on the subsidiary computer for prompting entry of the additional accounting entries, and displays on the subsidiary computer guidelines relating to the account variance and the additional accounting entries to assist the user associated with the subsidiary in reconciling the account variance* including guidelines relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary. (Emphasis added.)

Additionally, Brown does not describe or suggest a server programmed to configured to automatically compare the additional accounting entries to the account data stored in the database to determine whether any of the additional accounting entries are duplicative of the account data stored in the database, automatically update the account variance and the amount booked by the subsidiary as displayed on the subsidiary computer based on the additional, non-duplicative accounting entries, and update the account information stored in the database based on the additional, non-duplicative accounting entries.

Brown describes a system that includes a first financial management system handling receivables (14) and a second financial management system handling payables (22). The receivables system sends debt offset information to an offset payment system (18) and the

payables system sends payment information to the offset payments system. The offset payment system either makes a payment or offsets the payment with the debt. The financial management systems receive offset information from the offset payment system. The system designates debt and payments that are suitable for offset using threshold criteria. The system allows administrative fees and other charges, such as interest and penalties, to be added to the debt. During the referral of the debt to the offset payments system, the debtor as well as other parties, such as credit bureaus, are informed or notified of the delinquent debt. When an offset occurs the system feeds the amount of the offset back to the receivables and payables systems to update the records therein to reflect the amount and that the amount was an offset. That is, an authorized payment is shown as fully or partially offset and a debt is shown as fully or partially satisfy via the offset. The records of financial management systems are updated when a payment is made by the debtor after a referral has occurred, when a decision is made to write-off the debt.

Brown further describes that the financial management system (payable 22 and receivable 14 systems) and the offset payment system (18) contain debt records and offset payment data. Given that these are independent systems, the data in the systems needs be reconciled to ensure that they are synchronized. A reconciliation process is provided through the direct online connection to the offset system. The reconciliation can be partial (i.e., the reconciliation of a user-defined set of data) or full (i.e., the complete reconciliation of all data in the systems). In performing the reconciliation, the financial management system receivable or payment records referred for offset are accessed. Each receivable or payment record is compared to the corresponding record in the offset payment system. The system determines whether a discrepancy exists and if so whether synchronization is to be performed. For example, a debt referral record in the financial management system might have an amount of \$2000. The same record in the offset system might have an amount of \$20000. Invoking the synchronization based on the financial management system option in this case will result in the creation of a debt update file correction transaction for \$2000 synchronizing the offset system with the financial management system for receivables. Invoking the synchronization based on offset system option in this case will result in the creation of a receivable modification transaction netting to \$20000

in the financial management system receivables file synchronizing the financial management system for receivables with the offset system.

Claim 24 recites a system for account reconciliation between a parent business entity and a subsidiary of the parent business entity, the system includes "at least one remote computer associated with the subsidiary, the subsidiary computer configured to prompt a user associated with the subsidiary to enter account data relating to business activities of the subsidiary...at least one remote computer associated with the parent, the parent computer configured to prompt a user associated with the parent to enter account data relating to business activities of the subsidiary...a centralized database for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent account data and the subsidiary account data...and a server associated with the parent in communication with each of the subsidiary computer, the parent computer and the centralized database, the server programmed to...receive the parent maintained account data from the parent computer...receive the subsidiary maintained account data from the subsidiary computer...calculate an account variance based on the parent maintained account data and the subsidiary maintained account data...report the account variance to a user associated with the subsidiary by displaying on the subsidiary computer the account variance, an amount booked by the parent, and an amount booked by the subsidiary...reconcile the account variance by processing additional accounting entries relating to the business activities of the subsidiary, wherein the additional accounting entries are entered by a user associated with the subsidiary after the server displays a data entry table on the subsidiary computer for prompting entry of the additional accounting entries, and displays on the subsidiary computer guidelines relating to the account variance and the additional accounting entries to assist the user associated with the subsidiary in reconciling the account variance including guidelines relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for

reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary...automatically compare the additional accounting entries to the account data stored in the database to determine whether any of the additional accounting entries are duplicative of the account data stored in the database...automatically update the account variance and the amount booked by the subsidiary as displayed on the subsidiary computer based on the additional, non-duplicative accounting entries...and update the account information stored in the database based on the additional, non-duplicative accounting entries."

Brown does not describe or suggest a system for account reconciliation as recited in Claim 24. More specifically, Brown does not describe or suggest a system for account reconciliation between a parent business entity and a subsidiary of the parent business entity that includes at least one remote computer associated with the subsidiary wherein the subsidiary computer is configured to prompt a user associated with the subsidiary to enter account data relating to business activities of the subsidiary, and *at least one remote computer associated with the parent wherein the parent computer is configured to prompt a user associated with the parent to enter account data relating to business activities of the subsidiary.* (Emphasis added.)

Rather, Brown describes an offset payment process that includes an accounts receivable financial management system (14) associated with a first federal agency or a first division of a company, an accounts payable financial management system (22) associated with a second federal agency or a second division of a company, and a third-party offset payment system (18) which matches payments to be made with debts owed and offsets any debts with such payments. (Col. 3, lines 52-59 and Col. 5, lines 11-14.) Notably, Brown does not describe or suggest *a first business entity (i.e., a parent business entity) that enters account data relating to the business activities of a second business entity (i.e., a subsidiary business entity).* Rather, Brown describes

a single business entity having different divisions or agencies that enters accounts receivable or accounts payable data for business activities performed by the same single business entity.

Because Brown does not describe or teach a first business entity entering account data relating to the business activities of a second business entity, Brown cannot teach a system for account reconciliation that includes at least one remote computer associated with the parent wherein the parent computer is configured to prompt a user associated with the parent to enter account data relating to business activities of the subsidiary. Accordingly, for at least this reason, Claim 24 is patentable over Brown.

Moreover, Brown does not describe or suggest a server associated with the parent business entity wherein the server is programmed to *calculate an account variance based on the parent maintained account data and the subsidiary maintained account data.* (Emphasis added.)

Rather, Brown merely describes a system that determines whether a discrepancy exists between an accounts receivable financial management system (14) or an accounts payable financial management system (22) and an offset payment system (18). (Col. 15, lines 20-22.) Determining whether a discrepancy exists is part of a reconciliation process described in Brown. Brown describes at col. 15, lines 15-35 the reconciliation process as follows:

In performing the reconciliation, the financial management system receivable or payment records 613 referred for offset are accessed. Each receivable or payment record is compared to the corresponding record in the offset payment system 18....The system also determines 626 whether a discrepancy exists and if so whether 628 synchronization is to be performed. For example, a debt referral record in the financial management system might have an amount of \$2000. The same record in the offset system might have an amount of \$20000. Invoking the synchronization based on the financial management system option in this case will result in the creation of a debt update file 630 correction transaction for \$2000 synchronizing the offset system 18 with the financial management system 14. Invoking the synchronization based on offset system option in this case will result in the creation of a receivable modification transaction 630 netting to \$20000 in the financial management system receivables file 634 synchronizing the financial management system 14 with the offset system 18.

In other words, the reconciliation process described in Brown is a synchronization of payments, debts, and offsets within the accounts receivable and accounts payable systems and the offset system. These systems in Brown do not include account data that is maintained by two separate entities (i.e., a parent and a subsidiary) as is claimed in the present claims. According, for at this reason, Claim 24 is patent over Brown.

Furthermore, Brown does not describe or suggest *a server programmed to reconcile the account variance by processing additional accounting entries relating to the business activities of the subsidiary*, wherein the additional accounting entries are entered by a user associated with the subsidiary after the server *displays a data entry table on the subsidiary computer for prompting entry of the additional accounting entries, and displays on the subsidiary computer guidelines relating to the account variance and the additional accounting entries to assist the user associated with the subsidiary in reconciling the account variance* including guidelines relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary. (Emphasis added.)

Rather, as discussed above, in Brown, the reconciliation process merely includes the system determining whether a discrepancy exists between the separate financial management systems for payables (22) and receivables (14) and the offset payment system (18), and if so, determining whether synchronization is to be performed between the systems. Brown does not describe, suggest or even mention reconciling an account variance by processing additional accounting entries relating to the business activities of the subsidiary, wherein the additional accounting entries are entered by a user associated with the subsidiary after the server *displays a data entry table on the subsidiary computer for prompting entry of the additional accounting*

entries, and displays on the subsidiary computer guidelines relating to the account variance and the additional accounting entries to assist the user associated with the subsidiary in reconciling the account variance including guidelines relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary. (Emphasis added.)

Additionally, Brown does not describe or suggest a server programmed to automatically compare the additional accounting entries to the account data stored in the database to determine whether any of the additional accounting entries are duplicative of the account data stored in the database, automatically update the account variance and the amount booked by the subsidiary as displayed on the subsidiary computer based on the additional, non-duplicative accounting entries, and update the account information stored in the database based on the additional, non-duplicative accounting entries. Accordingly, Applicants respectfully submit that Claim 24 is patentable over Brown.

For at least the reasons set forth above, Applicants respectfully request that the 35 U.S.C. § 103(a) rejection of Claim 24 be withdrawn.

Claims 25-31 depend from independent Claim 24 which is submitted to be in condition for allowance. When the recitations of Claims 25-31 are considered in combination with the recitations of Claim 24, Applicants submit that dependent Claims 25-31 are also patentable over Brown.

Claim 32 recites a network-based system for managing accounts reconciliation between a parent business entity and a subsidiary of the parent business entity, the system includes "at least

one remote sub-system associated with the subsidiary, the subsidiary sub-system comprising a browser and configured to prompt a user associated with the subsidiary to enter account data relating to business activities of the subsidiary...at least one computer associated with the parent, the parent computer programmed to prompt a user associated with the parent to enter account data relating to business activities of the subsidiary...a data storage device for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business activities of the subsidiary, and variance data showing differences between the parent maintained account data and the subsidiary maintained account data...and a server sub-system associated with the parent and in communication with each of the subsidiary sub-system, the parent computer, and said database, said server sub-system programmed to...receive the parent maintained account data from the parent computer...receive the subsidiary maintained account data from the subsidiary sub-system...calculate an account variance based on the parent maintained account data and the subsidiary maintained account data...report the account variance to a user associated with the subsidiary by displaying on the subsidiary sub-system the account variance, an amount booked by the parent, and an amount booked by the subsidiary...reconcile the account variance by processing additional accounting entries relating to the business activities of the subsidiary, wherein the additional accounting entries are entered by a user associated with the subsidiary after the server displays a data entry table on the at least one subsidiary sub-system for prompting entry of the additional accounting entries, and displays on the at least one subsidiary sub-system guidelines relating to the account variance and the additional accounting entries to assist the user associated with the subsidiary in reconciling the account variance including guidelines relating to at least one of a timing of recording items including whether there are time lags between a time when the parent records an account receivable or an account payable associated with the subsidiary and a time when the subsidiary records the same account receivable or account payable, methods used for reporting account information including whether the parent account data and the subsidiary account data are based on a cash basis or an accrual basis, a discrepancy in an amount, exchange rates used by the parent and subsidiary, whether at least one of an overhead charge and a management fee has been charged to the

subsidiary by the parent, and whether there have been any improper entries charged to the subsidiary...automatically compare the additional accounting entries to the account data stored in the data storage device to determine whether any of the additional accounting entries are duplicative of the account data stored in the data storage device...automatically update the account variance and the amount booked by the subsidiary as displayed on the subsidiary sub-system based on the additional, non-duplicative accounting entries...and update the account information stored in the data storage device and the account variance based on the additional, non-duplicative accounting entries.”

Claim 32, as herein amended, recites a system for managing accounts reconciliation that includes, among other things, a server sub-system programmed to perform steps essentially similar to those performed by the server recited in Claim 24. Thus, it is submitted that Claim 32 is patentable over Brown for reasons that correspond to those given with respect to Claim 24.

For at least the reasons set forth above, Claim 32 is submitted to be patentable over Brown.

Claims 33-69 depend from independent Claim 32 which is submitted to be in condition for allowance. When the recitations of Claims 33-69 are considered in combination with the recitations of Claim 32, Applicants submit that dependent Claims 33-69 are also patentable over Brown.

Claim 70 recites a network based account reconciliation system for reconciling accounts between a parent business entity and a subsidiary of the parent business entity, the system includes “a client sub-system associated with the subsidiary, the client sub-system including a browser and configured to prompt a user associated with the subsidiary to enter account data relating to the business activities of the subsidiary...a remote computer associated with the parent, the parent computer programmed to prompt a user associated with the parent to enter account data relating to the business activities of the subsidiary...a data storage device for storing account information including account data maintained by the parent relating to business activities of the subsidiary, account data maintained by the subsidiary relating to the business

activities of the subsidiary, and variance data showing differences between the parent maintained account data and the subsidiary maintained account data...a server sub-system configured to be coupled to each of said client sub-system, said parent computer, and said database, said server sub-system programmed to...receive the parent maintained account data from the parent computer...receive the subsidiary maintained account data from the client sub-system...calculate an account variance based on the parent maintained account data and the subsidiary maintained account data...report the account variance to a user associated with the subsidiary by displaying on the client sub-system the account variance, an amount booked by the parent, and an amount booked by the subsidiary...reconcile the account variance by processing additional accounting entries relating to the business activities of the subsidiary, wherein the additional accounting entries are entered by a user associated with the subsidiary and include at least one of an amount booked by the subsidiary, an amount booked by the parent, a currency code, a conversion rate, a local amount, a transaction date, and an amount identified in a journal of the parent...automatically compare the additional accounting entries to the account data stored in the data storage device to determine whether any of the additional accounting entries are duplicative of the account data stored in the data storage device...automatically update the account variance and the amount booked by the subsidiary as displayed on the client sub-system based on the additional, non-duplicative accounting entries...and update the account information stored in the data storage device and the account variance based on the additional, non-duplicative accounting entries."

Claim 70, as herein amended, recites a network based account reconciliation system that includes, among other things, a server sub-system programmed to perform steps essentially similar to those performed by the server recited in Claim 24. Thus, it is submitted that Claim 70 is patentable over Brown for reasons that correspond to those given with respect to Claim 24.

For at least the reasons set forth above, Claim 70 is submitted to be patentable over Brown.

Claims 71-73 depend from independent Claim 70 which is submitted to be in condition for allowance. When the recitations of Claims 71-73 are considered in combination with the recitations of Claim 70, Applicants submit that dependent Claims 71-73 are also patentable over Brown.

For at least the reasons set forth above, Applicants respectfully request that the Section 102 rejection of Claims 24-73 be withdrawn.

The rejection of Claims 24-34, 37-48, 50-60 and 62-73 under 35 U.S.C. § 103(a) as being unpatentable over Brown in view of well known prior art ("Official Notice") is respectfully traversed.

Brown is described above. According to the Office Action, the Examiner takes Official Notice that "to provide a server capable of performing steps is notoriously old and well know in the art...It would have been obvious to one of ordinary skill in the art to modify the apparatus of Brown by providing a sever configured to perform these steps in order to ensure that the consolidated balance sheets are correct, to ease data entry by providing a structured table and by providing guidance; and in order to avoid calculation errors by double-counting data."

Applicants traverse the Official Notice. Official Notice may be used for "facts....capable of such instant and unquestionable demonstration as to defy dispute". (See *In re Ahlert*, 424 F.2d 1088, 165 USPQ 418, 420 (CCPA 1970)). Applicants submit that the Official Notice provided in the Office Action does not include facts that are capable of instant and unquestionable demonstration as to defy dispute. More specifically, Applicants submit that the assertion that it would have been obvious to one skilled in the art to "modify the apparatus of Brown by providing a sever configured to perform these steps in order to ensure that the consolidated balance sheets are correct, to ease data entry by providing a structured table and by providing guidance; and in order to avoid calculation errors by double-counting data" is not a fact that is capable of instant and unquestionable demonstration as to defy dispute. Accordingly, Applicants submit that the Official Notice taken in the Office Action is improper.

Claim 24 is recited above. As stated above, Brown does not describe or suggest a system for account reconciliation as recited in Claim 24. Moreover, the Official Notice does not make up for the deficiencies of Brown. Accordingly, Applicants respectfully submit that Claim 24 is patentable over Brown in view of the Official Notice.

When the recitations of Claims 25-31 are considered in combination with the recitations of Claim 24, Applicants submit that dependent Claims 25-31 are also patentable over Brown in view of the Official Notice.

Claim 32 is recited above. As stated above, Brown does not describe or suggest a system for managing accounts reconciliation as recited in Claim 32. Moreover, the Official Notice does not make up for the deficiencies of Brown. Accordingly, Applicants respectfully submit that Claim 32 is patentable over Brown in view of the Official Notice.

When the recitations of Claims 33-34, 37-48, 50-60 and 62-69 are considered in combination with the recitations of Claim 32, Applicants submit that dependent Claims 33-34, 37-48, 50-60 and 62-69 are also patentable over Brown in view of the Official Notice.

Claim 70 is recited above. As stated above, Brown does not describe or suggest a network based account reconciliation system as recited in Claim 70. Moreover, the Official Notice does not make up for the deficiencies of Brown. Accordingly, Applicants respectfully submit that Claim 70 is patentable over Brown in view of the Official Notice.

When the recitations of Claims 71-73 are considered in combination with the recitations of Claim 70, Applicants submit that dependent Claims 71-73 are also patentable over Brown in view of the Official Notice.

For at least the reasons set forth above, Applicants respectfully request that the 103 rejection of Claims 24-34, 37-48, 50-60 and 62-73 be withdrawn.

In view of the foregoing remarks, all the Claims now active in the application are believed to be in condition for allowance. Favorable action is respectfully solicited.

Respectfully Submitted,



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